



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

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## *Memorandum*

TO: Administration Committee

DATE: February 6, 2008

FR: Executive Director

W.I.: 1152

RE: Contract Amendment: Professional Auditing Services: PriceWaterhouseCoopers, LLP

Staff recommends that the Committee approve a contract amendment in the amount of \$1,116,718 with PricewaterhouseCoopers LLP (PWC), with offices in San Francisco, for audit and review services.

### **Background**

In April 2007, the Commission approved a three-year contract with PricewaterhouseCoopers to perform a comprehensive financial and compliance audit starting with the fiscal year ending June 30, 2007. This memorandum recommends authorizing PWC to continue to the second contract year audit for the fiscal year ending June 30, 2008 as well as additional audit and review services described below. The recommendation to renew the contract has been discussed with the Audit Committee.

### **Scope of work**

(1) Audit of the agency's financial statements (\$652,818)

The proposed audit will include the issuance of the Comprehensive Annual Financial Report (CAFR), including MTC, SAFE, BATA, BAIFA, and fiduciary funds; a separate audit report on BAIFA; a single audit report in accordance with OMB Circular A-133; and a management letter.

(2) Audit of Caltrans expenditures (\$163,900)

The service is for the audit of Caltrans operating expenditures and support costs related to the toll bridge construction program.

- (3) Internal controls review of Automated Toll Collection Accounting System (ATCAS) and the FasTrak® Customer Service Center (\$300,000)

The proposed fee includes a review of the ATCAS system, annual evaluation of controls, reconciliation of daily host toll revenues with the Vector system provided under contract with ACS state and local solutions, and the review of the financial revenue reporting from the FasTrak® Customer Service Center.

**Contract Budget Summary**

<u>Scope</u>	<u>Amount</u>	<u>Fund Source</u>
CAFR audit fee	\$ 652,818	BATA, MTC, SAFE, BAIFA
Audit of Caltrans operating expenditures	\$ 163,900	BATA
Review of ATCAS and Customer Service Center controls and financial reporting	<u>\$ 300,000</u>	BATA
<b>Total</b>	<b>\$ 1,116,718</b>	

**Recommendation**

We recommend that this Committee authorize the Executive Director or his designated representative to negotiate and the Chair or Vice-Chair of this Committee to execute a contract amendment with PricewaterhouseCoopers in an amount of \$1,116,718 to provide Professional Auditing Services. If awarded, this amendment will be the second of three years on this existing contract.

/Steve Heminger/  
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Steve Heminger

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## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Audit Contract Amendment

Work Item No.:	1152/1254,/1230
Auditor:	PricewaterhouseCoopers, LLP San Francisco. CA
Work Project Title:	Fiscal and Compliance Audit and Review of Caltrans expenditures- FY 2007-2008
Purpose of Project:	Obtain services of an Independent Auditor
Brief Scope of Work:	<p>To perform a comprehensive fiscal and compliance audit of MTC, BATA, BAIFA and MTC SAFE for FY 2007-2008. Auditor will render appropriate reports as required by the A-133 Audit and in accordance with the financial and compliance type described in the <i>Government Auditing Standards</i>, published by the Comptroller General of the United States. Review of Caltrans expenditures in accordance to <i>Standards for Consulting Services</i> established by the AICPA</p> <p>Audit and review reports to be completed for submission to the Commission Audit Committee at its October, 2008 meeting.</p> <p>Services also include a review of ATCAS and FasTrak® Customer Service Center controls and reporting.</p>
Project Cost Not to Exceed:	\$1,116,718
Funding Source:	MTC \$309,305, SAFE \$55,555, BATA \$696,238, BAIFA \$55,620
Fiscal Impact:	Included in FY 2007-2008 Operating Budget
Motion by Committee:	That the Executive Director or his designated representative is authorized to negotiate and the Chairperson or Vice Chairperson of the Administration Committee is authorized to execute a contract amendment with PricewaterhouseCoopers LLP for the services described above. The Chief Financial Officer is authorized to set aside the funds for such amendment.
Administration Committee:	<hr/> Bob Blanchard, Chair
Approved:	Date: February 13, 2008